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*Attorney for Christopher P. Burke, Trustee*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:

CAREER COLLEGES, INC.,

Debtor.

Case No. 24-50132-hlb  
Chapter 7

**STIPULATION RESOLVING  
OBJECTION TO CLAIM 14 AND  
MOTION FOR TURNOVER**

CHRISTOPHER P. BURKE, the chapter 7 trustee of the above-captioned bankruptcy estate (“**Trustee**”) and claimant TUITION OPTIONS LLC (“**Creditor**”) hereby stipulate and agree as follows:

WHEREAS, pre-bankruptcy, the above-captioned debtor (“**Debtor**”) operated a college focused on technical careers, such as welding. Students paid tuition and associated costs to Debtor in exchange for the education rendered; and

WHEREAS, many of the Debtor’s students paid their tuition using student loans, self-financed by the Debtor; however, Debtor is not a financial institution, so the student loans were technically not loans, but instead were retail installment contracts (“**RICs**”); and

WHEREAS, Creditor is a servicer of student loans/RICs; and

WHEREAS, on July 19, 2023, Creditor and the Debtor entered into a loan agreement for which the Creditor provided Debtor with a loan in the principal amount of \$600,000 (“**Loan**”); and

WHEREAS, on or about July 19, 2023, the Debtor and Creditor entered into a security agreement (“**Security Agreement**”), whereby Debtor pledged its RIC receivables as collateral for the Loan; and

1 WHEREAS, Section 7(b) of the Security Agreement states that Debtor authorizes  
2 Creditor to file a UCC-1 in order to perfect the security interest; and

3 WHEREAS, Creditor filed a UCC-1 on February 12, 2024; and

4 WHEREAS, on or about July 31, 2024, Creditor and Debtor entered into a servicing  
5 agreement (“Servicing Agreement”) in which Creditor became the student loan/RICs servicer  
6 for Debtor; and

7 WHEREAS, pursuant to the Servicing Agreement, Creditor serviced and collected  
8 accounts receivables from students due on the RICs, and forwards the proceeds to Debtor less  
9 Creditor’s fees and other amounts to which Creditor is entitled pursuant to the terms of the  
10 Servicing Agreement; and

11 WHEREAS, on February 9, 2024 (“Petition Date”), Debtor filed this bankruptcy case;  
12 and

13 WHEREAS, on June 11, 2024, Creditor filed proof of claim 14 in this bankruptcy case  
14 (“Claim 14”) in the amount of \$518,248.30, as a secured claim; and

15 WHEREAS, post-petition, Creditor has collected approximately \$140,000 in Debtor’s  
16 RIC receivables; and

17 WHEREAS, applying the post-petition amounts collected against the Petition Date loan  
18 balance (but excluding post-petition interest), Creditor is still owed approximately \$378,000;  
19 and

20 WHEREAS, on October 15, 2024, the Trustee filed an objection to claim 14  
21 (“Objection”), objecting to the security interest claimed by Creditor (on the basis that it was not  
22 perfected via a pre-petition UCC-1); and furthermore seeking turnover of all amounts collected  
23 post-petition by Creditor; and

24 WHEREAS, Creditor notes that it is in possession of the collateral, and therefore asserts  
25 that it is perfected under New Jersey law; and

26 WHEREAS, Creditor further provided information to the Trustee that the remaining RIC  
27 portfolio is worth only an estimated \$77,000; and  
28

1 WHEREAS, based on the information provided, the Trustee and Creditor have reached a  
2 resolution of the Objection, on the terms contained below; and

3 WHEREAS, the Trustee concurs that the secured portion of the filed Claim 14 is equal  
4 to \$210,000 ( $=\$140,000 + \$77,000$ ), and that the remaining portion of Claim 14 (\$308,248.30)  
5 is unsecured;

6 **THEREFORE**, the parties hereto hereby stipulate as follows:

7 1. Claim 14 shall be an allowed claim as follows: \$210,000 secured and \$308,248.30  
8 unsecured.

9 2. The Trustee shall file a notice of abandonment of the remaining RIC receivables to  
10 the Creditor, on the basis that they are the Creditor's secured collateral, using the local rules for  
11 negative notice of abandonment.

12 **IT IS SO STIPULATED.**

13 # # # # #  
14

15 DATED: December 31, 2024

**ARCHER & GREINER, P.C.**

17 By: /s/ Harrison Breakstone  
18 HARRISON H.D. BREAKSTONE, ESQ.  
19 *Attorney for Claimant*

20 DATED: December 31, 2024

**ATKINSON LAW ASSOCIATES LTD.**

21 By: /s/ Robert Atkinson  
22 ROBERT E. ATKINSON, ESQ.  
23 *Attorney for Christopher P. Burke, Trustee*  
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